

IC 36-7-14.5

Chapter 14.5. Redevelopment Authority

IC 36-7-14.5-1

Application of chapter

Sec. 1. This chapter applies to each unit having a commission.
As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-2

"Authority" defined

Sec. 2. As used in this chapter, "authority" refers to a redevelopment authority created by this chapter.
As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-3

"Board" defined

Sec. 3. As used in this chapter, "board" refers to the board of directors of the authority.
As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-4

"Bonds" defined

Sec. 4. As used in this chapter, "bonds" means bonds, notes, or other evidence of indebtedness issued by the authority.
As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-5

"Commission" defined

Sec. 5. As used in this chapter, "commission" refers to a redevelopment commission established under IC 36-7-14 or a military base reuse authority established under IC 36-7-30 and located outside the boundaries of a county with a consolidated city.
As added by P.L.380-1987(ss), SEC.18. Amended by P.L.2-1989, SEC.29; P.L.26-1995, SEC.3.

IC 36-7-14.5-6

"Local public improvement" defined

Sec. 6. As used in this chapter, "local public improvement" means any of the following:

- (1) A redevelopment project.
- (2) A purpose of a commission under IC 36-7-14 or IC 36-7-30.
- (3) A purpose of an authority under this chapter.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.2-1989, SEC.30; P.L.26-1993, SEC.2; P.L.26-1995, SEC.4.

IC 36-7-14.5-7

Creation of redevelopment authority

Sec. 7. (a) A _____ Redevelopment Authority (the blank to be filled in with a name designated by the legislative body of the unit) may be created in the unit as a separate body corporate and politic

and as an instrumentality of the unit to exercise any power granted to the authority under this chapter.

(b) An authority may be created by ordinance of the legislative body of the unit.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.26-1993, SEC.3.

IC 36-7-14.5-8

Composition of board; term of office; vacancy; removal for cause; oath of office; compensation

Sec. 8. (a) The board is composed of three (3) members, who must be residents of the unit appointed by the executive of the unit.

(b) A member is entitled to serve a three (3) year term. A member may be reappointed to subsequent terms.

(c) If a vacancy occurs on the board, the executive of the unit shall fill the vacancy by appointing a new member for the remainder of the vacated term.

(d) A board member may be removed for cause by the executive of the unit.

(e) Each member, before entering upon the duties of office, must take and subscribe an oath of office under IC 5-4-1, which shall be endorsed upon the certificate of appointment and filed with the records of the board.

(f) A member may not receive a salary, and no profit or money of the authority inures to the benefit of a member.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-9

Annual organizational meeting; election of officers; special meetings; quorum

Sec. 9. (a) Immediately after January 15 of each year, the board shall hold an organizational meeting. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. The board may elect an assistant secretary-treasurer.

(b) Special meetings may be called by the president of the board or any two (2) members of the board.

(c) A majority of the members constitutes a quorum, and the concurrence of a majority of the members is necessary to authorize any action.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-10

Bylaws; rules

Sec. 10. The board may adopt such bylaws and rules as it considers necessary for the proper conduct of its duties and the safeguarding of the funds and property entrusted to its care.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-11

Purposes of authority

Sec. 11. (a) The authority is organized for the following purposes:

- (1) Financing, constructing, and leasing local public improvements to the commission.
- (2) Financing and constructing additional improvements to local public improvements owned by the authority and leasing them to the commission.
- (3) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease and leasing these local public improvements back to the commission, with any additional improvements that may be made to them.
- (4) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease to fund or refund indebtedness incurred on account of those local public improvements to enable the commission to make a savings in debt services obligations or lease rental obligations or to obtain relief from covenants that the commission considers to be unduly burdensome.

(b) In a county described in section 12.5(a) of this chapter and if specified in the ordinance creating the authority or in another ordinance adopted by the legislative body of the unit, an authority may be organized for the purpose of performing any of the uses or functions identified in IC 36-7-14-2, IC 36-7-14-2.5, or IC 36-7-14-41 for a redevelopment commission.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.26-1993, SEC.4.

IC 36-7-14.5-12

Powers and duties of authority; dissolution of authority

Sec. 12. (a) In order to accomplish the purposes set forth in section 11(a) of this chapter, the authority may do the following:

- (1) Finance, improve, construct, reconstruct, renovate, purchase, lease, acquire, or equip local public improvements.
- (2) Lease those local public improvements to the commission.
- (3) Sue, be sued, plead, or be impleaded, but all actions against the authority must be brought in the circuit or superior court of the county in which the authority is located.
- (4) Condemn, appropriate, lease, rent, purchase, or hold any real or personal property needed or considered useful in connection with local public improvements.
- (5) Acquire real or personal property by gift, devise, or bequest and hold, use, or dispose of that property for the purposes authorized by this chapter.
- (6) Enter upon any lots or lands for the purpose of surveying or examining them to determine the location of a local public improvement.
- (7) Design, order, contract for, or construct, reconstruct, or renovate any local public improvements or improvements thereto.
- (8) Employ managers, superintendents, architects, engineers, attorneys, auditors, clerks, construction managers, or other

employees necessary for construction of local public improvements or improvements to them.

(9) Make and enter into all contracts or agreements necessary or incidental to the performance of its duties or the execution of its powers under this chapter.

(10) Take any other action necessary to implement the authority's purposes as set forth in section 11(a) of this chapter.

(b) Whenever the board determines that:

(1) the purposes for which the authority was formed have been substantially fulfilled; and

(2) all bonds issued and all other obligations incurred by the authority have been fully paid or satisfied or provision for the payment of the bonds and obligations has been made in accordance with the terms of the resolution or trust indenture securing them;

the board may declare the authority dissolved. On the effective date of the resolution of dissolution, the title to all funds and other property owned by the authority at the time of the dissolution vests in the commission on behalf of the unit creating the commission. However, if the commission is not in existence, the title vests in the unit.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.26-1993, SEC.5.

IC 36-7-14.5-12.5a

Economic development area in counties with military base closings; powers; allocation areas; distribution of taxes

Note: This version of section effective until 1-1-2003. See also following version of this section, effective 1-1-2003.

Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11(b) of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

However, an authority may not include in an economic development area created under this section any area that was declared a blighted area, an urban renewal area, or an economic development area under IC 36-7-14.

(c) In order to accomplish the purposes set forth in section 11(b) of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or

other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept

the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11(b) of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as

referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

- (1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefitting that allocation area.
- (2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).
- (3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.
- (4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefitting that allocation area.
- (5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of the twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

- (6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefitting the allocation area.
- (7) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
 - (A) in the allocation area; and
 - (B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any

year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made. The allocation fund may not be used for operating expenses of the authority.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefitting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds do not apply to bonds issued under this section.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority

may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11(b) of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than seven (7) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

As added by P.L.26-1993, SEC.6. Amended by P.L.26-1995, SEC.5; P.L.255-1997(ss), SEC.16; P.L.49-1997, SEC.78; P.L.2-1998, SEC.85; P.L.90-2002, SEC.477.

IC 36-7-14.5-12.5b

Economic development area in counties with military base closings; powers; allocation areas; distribution of taxes

Note: This version of section effective 1-1-2003. See also preceding version of this section, effective until 1-1-2003.

Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11(b) of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

However, an authority may not include in an economic development

area created under this section any area that was declared a blighted area, an urban renewal area, or an economic development area under IC 36-7-14.

(c) In order to accomplish the purposes set forth in section 11(b) of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the

authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11(b) of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to

taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

- (1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefitting that allocation area.
- (2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).
- (3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.
- (4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefitting that allocation area.
- (5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in

full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.

(7) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made. The allocation fund may not be used for operating expenses of the authority.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefitting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the

issuance of bonds do not apply to bonds issued under this section.
(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11(b) of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than seven (7) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

As added by P.L.26-1993, SEC.6. Amended by P.L.26-1995, SEC.5; P.L.255-1997(ss), SEC.16; P.L.49-1997, SEC.78; P.L.2-1998, SEC.85; P.L.90-2002, SEC.477; P.L.192-2002(ss), SEC.179.

IC 36-7-14.5-13

Refunding bonds

Sec. 13. (a) Bonds issued under IC 36-7-14 may be refunded as provided in this section.

(b) The commission may:

- (1) lease all or a portion of a local public improvement or improvements to the authority, which may be at a nominal lease rental with a lease back to the commission, conditioned upon the authority assuming bonds issued under IC 36-7-14 and issuing its bonds to refund those bonds; and
- (2) sell all or a portion of a local public improvement or improvements to the authority for a price sufficient to provide for the refunding of those bonds and lease back the local public improvement or improvements from the authority.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-14

Lease of local public improvements to commission; provisions

Sec. 14. (a) Before a lease may be entered into, the commission must find that the lease rental provided for is fair and reasonable.

(b) A lease of local public improvements from the authority to the commission:

- (1) must comply with IC 36-7-14-25.2 or IC 36-7-30-20;
- (2) may not require payment of lease rental for a newly constructed local public improvement or for improvements to an existing local public improvement except to the extent that the local public improvement or improvements thereto have been completed and are ready for occupancy or use;
- (3) may contain provisions:
 - (A) allowing the commission to continue to operate an existing local public improvement until completion of the improvements, reconstruction, or renovation; and
 - (B) requiring payment of lease rentals for an existing local public improvement being used, reconstructed, or renovated;
- (4) may contain an option to renew the lease for the same or shorter term on the conditions provided in the lease;
- (5) must contain an option for the commission to purchase the local public improvement upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the local public improvement, including indebtedness incurred for the refunding of that indebtedness;
- (6) may be entered into before acquisition or construction of a local public improvement;
- (7) may provide that the commission shall agree to:
 - (A) pay all taxes and assessments thereon;
 - (B) maintain insurance thereon for the benefit of the authority; and
 - (C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and
- (8) may provide that the lease rental payments by the commission shall be made from any one (1) or more of the sources set forth in IC 36-7-14-25.2 or IC 36-7-30-20.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.35-1990, SEC.60; P.L.26-1995, SEC.6.

IC 36-7-14.5-15

Legal authority for lease agreements

Sec. 15. This chapter and IC 36-7-14-25.2 or IC 36-7-30-20, contain full and complete authority for leases between the authority and the commission. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the board or the commission or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to enter into any lease, except as prescribed in this chapter and IC 36-7-14-25.2 or IC 36-7-30-20.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.26-1995, SEC.7.

IC 36-7-14.5-16

Plans and specifications for local public improvements to be constructed; approval by commission

Sec. 16. If the lease provides for a local public improvement or improvements thereto to be constructed by the authority, the plans and specifications shall be submitted to and approved by the commission.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-17

Easement or license agreements between authority and commission; recordation

Sec. 17. The authority and the commission may enter into common wall (party wall) agreements or other agreements concerning easements or licenses. These agreements shall be recorded with the recorder of the county.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-18

Lease or sale of property from commission to authority

Sec. 18. (a) The commission may lease for a nominal lease rental, or sell to the authority, one (1) or more local public improvements or portions thereof or land upon which a local public improvement is located or is to be constructed.

(b) Any lease of all or a portion of a local public improvement by the commission to the authority must be for a term equal to the term of the lease of that local public improvement back to the redevelopment commission.

(c) The commission may sell property to the authority for such amount as it determines to be in the best interest of the commission, which amount may be paid from the proceeds of bonds of the authority.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-19

Bonds; procedures; use of revenue

Sec. 19. (a) The authority may issue bonds for the purpose of

obtaining money to pay the cost of:

- (1) acquiring property;
- (2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or
- (3) funding or refunding bonds issued under this chapter or IC 36-7-14.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within fifty (50) years.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

- (1) planning and development of the local public improvements and all related buildings, facilities, structures, and improvements;
- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements that are necessary or desirable to make the local public improvements suitable for use and operations;
- (4) architectural, engineering, consultant, and attorney fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction and for a period thereafter determined by the board, but in no event to exceed five (5) years;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.35-1990, SEC.61.

IC 36-7-14.5-20

Authority for issuance of bonds; legal investment status of bonds

Sec. 20. (a) This chapter contains full and complete authority for the issuance of bonds. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the board of any other officer, department, agency, or instrumentality of the state or of any political subdivision is required to issue any bonds, except as

prescribed in this chapter.

(b) Bonds issued under this chapter are legal investments for private trust funds and the funds of banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under Indiana law.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.42-1993, SEC.97.

IC 36-7-14.5-21

Trust indenture securing bonds

Sec. 21. (a) The authority may secure bonds issued under this chapter by a trust indenture between the authority and a corporate trustee, which may be any trust company or national or state bank within Indiana that has trust powers.

(b) The trust indenture may:

- (1) pledge or assign lease rentals, receipts, and income from leased local public improvements, but may not mortgage land or local public improvements;
- (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the authority and board;
- (3) set forth the rights and remedies of bondholders and trustee; and
- (4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the authority under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien or not. Any trust indenture by which a pledge is created or an assignment need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-22

Issuance of bonds by commission upon exercise of option to purchase leased property

Sec. 22. If the commission exercises its option to purchase leased property, it may issue its bonds as authorized by statute.

As added by P.L.380-1987(ss), SEC.18.

IC 36-7-14.5-23

Tax-exempt status of authority property and bonds

Sec. 23. All:

- (1) property owned by the authority;
- (2) revenues of the authority; and
- (3) bonds issued by the authority, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon

redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds; are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

As added by P.L.380-1987(ss), SEC.18. Amended by P.L.21-1990, SEC.53; P.L.254-1997(ss), SEC.30.

IC 36-7-14.5-24

Action contesting validity of bonds

Sec. 24. Any action to contest the validity of bonds to be issued under this chapter may not be brought after the fifteenth day following:

- (1) the receipt of bids for the bonds, if the bonds are sold at public sale; or
- (2) the publication one (1) time in a newspaper of general circulation published in the county of notice of the execution and delivery of the contract for the sale of bonds;

whichever occurs first.

As added by P.L.380-1987(ss), SEC.18.